

REMARKS

Claims 1-20, all the claims pending in the application, stand rejected on prior art grounds. Claims 10-13 stand rejected, because the claimed invention is directed to non statutory subject matter. Applicants respectfully traverse these rejections based on the following discussion.

I. The 35 U.S.C. § 101 Rejection

Claims 10-13 stand rejected under 35 U.S.C. § 101, because the claimed invention is directed to non statutory subject matter. Applicants respectfully traverse these rejections based on the following discussion.

Claims 11 and 12 have been cancelled by Applicant. The remaining rejected claims (i.e., claims 10 and 13) depend from claim 8, which defines statutory subject matter under 35 U.S.C. § 101. Specifically, claim 8 is directed towards a method of selecting from a plurality of communication arrangements. Accordingly, because the independent claim defines statutory subject matter, and because claims 10 and 13 merely narrow the independent claim from which they depend, claims 10 and 13 likewise define statutory subject matter under 35 U.S.C. § 101. Further, Applicant notes that the Board of Patent Appeals and Interferences has recently indicated that the USPTO's requirement that claims must state "technology" is in error (Ex Parte Lundgren, BPAI, October 5, 2005). In view of the foregoing, the Examiner is respectfully requested to reconsider and withdraw the rejections to the claims.

II. The Prior Art Rejections

Claims 1-5 and 14-18 stand rejected under 35 U.S.C. §103(a) as being unpatentable over "Larson" (Article, "The use and impact of communication media in purchasing and supply chain management). Claims 6-13 and 19-20 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Larson, in view of "Burk" (Article, "Major changes look as industry approaches the internet frontier). Applicants respectfully traverse these rejections based on the following discussion.

The claimed invention provides a methodology for determining whether a purchasing agent would receive a return on investment for establishing a special communication arrangement for a given supplier. In the rejection, the Office Action argues that Larson discloses that a buyer's consideration of a particular communication arrangement depends upon the relationship the buyer has with the supplier and the characteristics of the communication. In addition, the Office Action argues that Burk discloses conducting cost-benefit analyses for various purchasing and procurement communications types. However, neither Larson nor Burk disclose a process where a decision tree is utilized to calculate whether a non-standard (i.e., more costly) communication arrangement is a worthwhile financial investment for a purchasing agent. Moreover, neither Larson nor Burk disclose calculating a return on investment by determining and comparing the cost and savings associated with establishing and maintaining the non-standard communication arrangement. Therefore, as explained in further detail below, Applicant respectfully submits that the prior art of record does not teach or suggest the claimed invention.

The Office Action highlights Larson's process steps of inputting an ability to communicate and evaluating communication arrangements (page 29, summary and paragraphs 1-4). Moreover, Larson explains repeating the evaluation for a different communication arrangement if the ability does not match (page 34, table 1). However, nothing in Larson mentions evaluating standard vs. non-standard (i.e., more costly) communication arrangements and determining whether investing in a non-standard communication arrangement would be worthwhile for a purchaser. In addition, nothing in Larson mentions using a decision tree for performing payback calculations and determining returns on investment. Instead, Larson discusses the broad subject of the impact of communication media on buyer-supplier relationships and performance.

As described in paragraphs 27-28 of Applicant's disclosure, different order types have different costs per order and the total cost can be calculated by simply multiplying the number of orders per year by the cost per order. FIG. 4B illustrates the costs per order of the Web-based communication arrangement (i.e., non-standard) for the same number of orders per year than an email communication arrangement (i.e., standard), to calculate the total cost of operating the Web-based system. In item 4C, the total cost of ordering over the Web-based system (FIG. 4B) is subtracted from the total cost of the next best alternative (e.g., FIG. 4A) to arrive at a total cost savings for the Web-based ordering system. This is also shown in a savings per day calculation. In item 4D, the savings per day is divided by the investment required for the Web-based system to determine the number of days required before the investment is paid back. Therefore, the invention uses this information to determine whether the relationship with the supplier will extend

beyond the payback period in determining whether the Web-based system is cost justified. The Web-based system is merely exemplary and any communication arrangement which requires substantial investment is evaluated according to this method with the invention.

Furthermore, Larson discusses the broad topics of "EDI" vs. the Internet, the benefits, and "EDI" in itself is defined to mean the traditional specific ANSI x12 based medium of passing forms back and forth. Larson does not address the ordering process, automated calculation for Return on Investment to either the supplier or the Procurement Organization for automated cost analysis, nor does it enter the possibility of the third party or Operations Relationship as a solution. The focus of the article by Larson is disclosing the results of a survey that was sent to "nonspecific" purchasing professionals and then a survey employed a subjective method used to rate the responses on a scale of 0 to 6 focusing on very specific technologies such as bar coding, EDI, e-mail, Internet, fax, and voice mail.

Applicant's disclosure begins with the fact that the company is already engaged in a business relationship or beginning one with a supplier and the automated disclosure allows the determination of which specific method of data transition is best suited to place orders and receive invoices with respect to the current procurement relationship with the supplier. Applicant's disclosure is based on an automated input and calculated output.

The hypothesis made by Larson is based almost entirely on a subjective rating scale and not a scientifically bound response to "YES" and "NO" concise questions that

are objective and factual to reach a decision regarding implementing the correct unmitigated solution bound by fact from the automated analysis of Applicant's disclosure without subjective influences.

In addition, nothing in Larson mentions utilizing a decision tree. The Office Action states that merely providing an automatic means to replace a manual activity which accomplishes the same result is not sufficient to distinguish over prior art (citing *In re Venner*, 262 F.2d 91, 95, 120 USPQ 193, 194 (CCPA 1958)). Thus, the Office Action asserts that it would have been obvious to one of ordinary skill in the art to automate the processes in Larson because this would speed up the matching of communication arrangements with customers. However, as more fully described above, Larson does not disclose evaluating standard vs. non-standard communication arrangements and calculating whether investing in a non-standard communication arrangement will realize a financial return. Therefore, Applicant submits that it would not have been obvious to combine the steps of inputting an ability to communicate, evaluating communication arrangements, and repeating the evaluation for a different communication arrangement if the ability does not match, which were disclosed in Larson, with a decision tree that facilitates the evaluation of standard vs. non-standard communication arrangements for calculating whether investing in a non-standard communication arrangement will realize a financial return. Further, Applicant contends that combining the teachings of Larson with an automated decision tree would not accomplish the same result of Applicant's invention.

Therefore, contrary to the position taken in the Office Action, Applicant submits

that Larson does not teach or suggest a process where a decision tree is utilized to automatically calculate whether the implementation of a non-standard (i.e., more costly) communication arrangement is a worthwhile financial investment for a purchasing agent. Thus, it is Applicant's position that Larson does not disclose or suggest the claim feature of "inputting said first party's ability into a decision tree, wherein said decision tree orders standard communication arrangements that are evaluated by their cost effectiveness to the second party, and wherein said decision tree determines a number of days required before an investment is paid back" as defined by independent claims 1 and 8. Further, Larson does not disclose or suggest the claimed feature of "evaluating a standard communication arrangement ... repeating said evaluating for a non-standard communication arrangement if said first party's ability does not match a standard communication arrangement previously evaluated, wherein said non-standard communication arrangement has a cost above said standard communication arrangement ... and implementing said non-standard communication arrangement when said first party's ability matches said non-standard communication arrangement and said cost-benefit shows said non-standard communication arrangement is justified" as defined by independent claim 8.

With respect to Burk, the article broadly discusses how Internet/web communications have resulted in financial benefits for organizations. Burk, however, does not disclose the use of a decision tree to automatically conduct a cost-benefit analysis. Specifically, Burk does not disclose using a decision tree to evaluate standard vs. non-standard communication arrangements and calculating whether investing in a

non-standard communication arrangement will realize a financial return.

Therefore, it is Applicant's position that the proposed combination of Larson and Burk are generalized teachings that do not teach or suggest many features defined by independent claims 1, 8 and 14 and that such claims are patentable over the prior art of record. Further, it is Applicant's position that dependent claims 2-3, 6-7, 9-10, 13, 15-16, and 19-20 are similarly patentable, not only because of their dependency from patentable independent claims, but also because of the additional features of the invention they defined. In view of the foregoing, the Examiner is respectfully requested to reconsider and withdraw this rejection.

II. Formal Matters and Conclusion

With respect to the rejection to the information disclosure statement, submitted herewith is an English language Abstract for Japanese patent application number 10-299308 to Yasushi et al. In view of the foregoing, the Examiner is respectfully requested to reconsider and withdraw the rejection to the information disclosure statement.

With respect to the rejections to the drawings, and as suggested by the Office Action, Applicant has amended the specification to include a description of the acronyms utilized in Figure 4A. Specifically, Applicant has amended paragraph 27 of the specification to clearly define the acronyms: PO (purchase order), MEA (miscellaneous expense account), ASAP (first type of order process used with the SAP application), and BSAP (second type of order process used with the SAP application). No new matter has

been added. Thus, in view of the foregoing, the Examiner is respectfully requested to reconsider and withdraw the rejection to the drawings.

With respect to the rejections to the claims, the claims have been amended, above, to overcome these rejections. In view of the foregoing, the Examiner is respectfully requested to reconsider and withdraw the rejections to the claims.

Accordingly, Applicants submit that claims 1-3, 6-10, 13-16, and 19-20 are patentably distinct from the prior art of record and are in condition for allowance. The Examiner is respectfully requested to pass the above application to issue at the earliest possible time. Should the Examiner find the application to be other than in condition for allowance, the Examiner is requested to contact the undersigned at the local telephone number listed below to discuss any other changes deemed necessary. Please charge any deficiencies and credit any overpayments to Attorney's Deposit Account Number 50-0510.

Respectfully submitted,

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